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RUEHTU/AMEMBASSY TUNIS PRIORITY 5470  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 7431  
RUEHJI/AMCONSUL JEDDAH PRIORITY 0298  
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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

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HQ USAF FOR X0XX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

SIPDIS  
E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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- [1](#)1. PM Olmert's Legal Entanglement
- [1](#)2. Global War on Terror

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Key stories in the media:  
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Ha'aretz quoted a police source as saying yesterday that there is a good chance that PM Ehud Olmert could be convicted of money laundering, a crime which carries a maximum 10-year jail sentence.

While a bribery charge is regarded as much harder to prove, the source added that it would be difficult for Olmert to evade the money-laundering charges. The media reported on the controversy sparked by Justice Minister Daniel Friedmann's comment that the police have "toppled" Olmert. Although Olmert announced on July 30 that he would resign the day after the Kadima primaries, The Jerusalem Post quoted Kadima leadership candidates and their loyalists as saying that he must go a step further and leave the Prime Minister's Office now.

Ha'aretz reported that a special ministerial task force has completed drafting a list of 450 Palestinian prisoners whom Israel would be willing to release in exchange for Gilad Shalit. The newspaper says that a ministerial committee headed by Vice PM Haim Ramon finished drafting the list on Sunday and submitted it to Olmert. In the next few days, Olmert will discuss it with FM Tzipi Livni and DM Ehud Barak, and if the three approve the list, it will be sent to Egypt for transfer to Hamas as a formal Israeli offer. This is the first time Israel has submitted a list of its own, rather than merely approving or rejecting names submitted by Hamas. At the same time, Israel is threatening to take "various active measures" should Hamas continue to delay talks over the captive soldier. Israeli officials sent this message to Hamas via an Egyptian mediator last week. Yediot reported that a growing number of members of the Israeli defense establishment want to break up the "tahdiya" (truce) in order to create pressure on Hamas to resume the talks to release Shalit. Nasser a-Din a-Shaer, who was Hamas deputy prime minister, was quoted as saying in an interview with Israel Radio that most of the Palestinians were willing to end the conflict with Israel if a permanent agreement based on the 1967 borders were reached. He said he himself was willing to recognize Israel if this step were mutual. He urged Israel not to ignore Hamas and not to persecute its activists in the West Bank, because it is better to work with people whom one knows, and not with people operating as an underground. He added that PA President Mahmoud Abbas need not fear a Hamas takeover of the West Bank, since Israel would not allow it. A-Shaer pointed out that although he served in the Hamas government, he himself is not a member of the organization.

Ha'aretz reported that Gen. James Jones, Washington's security coordinator for Israeli-Palestinian talks, will arrive here tonight for what will probably be his last visit in this capacity. Ha'aretz reported that Israeli security sources told the paper that it would be a mistake to make security concessions in a formalized document outlining Israel's security needs if no corresponding Israeli-Palestinian diplomatic agreement is reached.

Ha'aretz reported that yesterday former Shas chairman Aryeh Deri, who was recently released from prison for "crimes involving moral turpitude," is considering running for mayor of Jerusalem, and has secured the support of the spiritual leaders of two religious parties: Rabbi Yosef Shalom Elyashiv of United Torah Judaism and Rabbi Ovadia Yosef of Shas. MK Meir Porush of United Torah Judaism had hoped to win the election.

Yediot reported that in order to increase her chances in the Kadima primaries, FM Tzipi Livni will try to convince Internal Security Minister Avi Dichter or Interior Minister Meir Sheetrit to quit the race.

The Jerusalem Post reported that a three-country panel (including Nigeria, South Korea, and Azerbaijan) was chosen yesterday to examine Israel's human rights record as part of a Universal Periodic Review this year of 64 countries by the UN Human Rights Council in Geneva.

Leading media reported that the Russian company building the Iranian nuclear reactor of Bushehr announced yesterday that the works at the plant had reached their final stage. Israel Radio quoted President Shimon Peres as saying that Russia will eventually join sanctions against Iran. Yediot reported that Pensioners Affairs Minister Rafi Eitan hinted in an interview with the German weekly Der Spiegel that Israel may kidnap Iranian President Mahmoud Ahmadinejad. Eitan took part in Adolf Eichmann's abduction.

Ha'aretz reported that Israel is preparing for a Hizbullah terror attack in the country or overseas in revenge for the murder of

Hizbullah operations chief Imad Mughniyah in a Damascus car bombing in February. Security sources were quoted as saying that Israel was preparing for various possibilities, including a hit on an Israeli embassy overseas, the murder of a senior Israeli incumbent or retired official overseas, an attempt to abduct Israeli businesspeople overseas and even an attack on the northern border. Israel Radio quoted the Kuwaiti newspaper Al-Jarida, based on Israeli sources, as saying that Shin Bet and Mossad have recalled seven former Israeli officers residing in foreign countries because of possible Hizbullah threats on their lives.

The Jerusalem Post quoted the Civil Administration as saying that a series of Israeli good will gestures to the Palestinians in the West Bank has helped strengthen the Palestinian economy since the beginning of the year.

Major media reported that yesterday Gabriela Shalev, Israel's first female ambassador to the UN, submitted her credentials to the organization's secretary-general, Ban Ki-moon.

Ha'aretz reported that the rail line under construction between Jerusalem and the Mediterranean coast crosses the Green Line at several points. The paper reported that leading Israeli authorities are seeking a novel way to ensure that the train benefits both peoples.

Ha'aretz reported that the "Pilgrim's Route" leading from Jerusalem to the Dead Sea is undergoing development. Makor Rishon-Hatzofe reported that the Palestinian Tourism Ministry is organizing tours of the West Bank to teach the "Palestinian legacy" and show the Palestinians' hardships.

Yediot cited a complaint by Alvin Ailey American Dance Theater dancer Abdur-Rahim Jackson that he was stopped and forced to dance at Ben-Gurion Airport because of his Muslim-sounding name.

Ha'aretz reported that Palestinian director Amir Nizar Zuabi, the director of the Palestinian National Theater, is going to put up Federico Garcia Lorca's "Blood Wedding" on an Israeli stage.

Maariv reported that a philanthropist will establish a "Bush Plaza" in central West Jerusalem.

The Jerusalem Post and Ha'aretz reported that Israeli and American scientists working at UCLA have, for the first time, recorded individual brain cells in the act of calling up a memory; targeting where in the brain a specific memory is stored, and how to recreate it.

Makor Rishon-Hatzofe cited the results of a Harris poll conducted among Palestinians and Israelis:

56% of Israelis support bombing Iran's nuclear installations if international measures fail to prevent Iran from going nuclear; 32% are opposed.

59% of Israelis are opposed to the Saudi peace plan.

Only 38% of Israelis (as opposed to 68% of Palestinians) support the Roadmap.

74% of Palestinians support abductions such as Gilad Shalit; 21% are opposed.

#### 1. PM Olmert's Legal Entanglement:

##### Summary:

The independent, left-leaning Ha'aretz editorialized: "Following the Kadima primary, the new government must be put together as quickly as possible, to cut short the period during which Olmert will serve as transitional prime minister."

##### Block Quotes:

"Go Home"

The independent, left-leaning Ha'aretz editorialized (9/9): "It is worth putting things in their place, not allowing the fabrications Olmert and his associates are spreading to take root in public opinion. The police have not deposed an incumbent prime minister, as Justice Minister Daniel Friedmann had the audacity to claim yesterday. This false accusation is reason enough to terminate his tenure together with that of the Prime Minister.... The Prime Minister will apparently be brought to trial in the coming months and will end his tenure in office well before then. To the credit of the political system, it can be said that it succeeded in making him leave long before the time when the law obligates him to.... Following the Kadima primary, the new government must be put together as quickly as possible, to cut short the period during which Olmert will serve as transitional prime minister. From the moment he resigns, the question of his innocence will become his own personal matter. The question of whether someone suspected of accepting bribes and who has the audacity to attack the law-enforcement authorities for revealing this to the public, can remain in office for even one more day -- that is the public's business to decide."

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12. Global War on Terror:  
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Summary:  
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New York correspondent Yoav Fromer wrote in the popular, pluralist Maariv: "9/11 was supposed to change history. But that day, which should have advanced the world toward a newer, better age, has dumped us at the same place."

Block Quotes:  
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"The Great Pass-Up"

New York correspondent Yoav Fromer wrote in the popular, pluralist Maariv (9/9): "The 9/11 Commission unambiguously determined that America cannot continue bolstering anti-democratic Arab regimes. But nothing has really changed. The Egyptian and Saudi governments, close allies of Washington, and which supplied 16 of the 19 hijackers, have remained stronger and more tyrannical than ever.... All moderate factors in the Arab world, who promised to fight extremist Islam, have almost disappeared. Instead of challenging Islamic extremism, they chose to grovel before it. The surrender of the Siniora government in Lebanon to Hizbullah, of Gaza Palestinians to Hamas and the Tehran moderates' to extremists prove the extent of their destabilization.... 9/11 was supposed to change history. But that day, which should have advanced the world toward a newer, better age, has dumped us at the same place."  
CUNNINGHAM